

**TOWN COUNCIL BUDGET WORKSHOP – MONDAY EVENING  
MARCH 25, 2013**

PRESENT: Parella, Herreshoff, Calouro, Stuart, and Sweeney

ALSO PRESENT: Antonio A. Teixeira, Town Administrator  
Julie Goucher, Town Treasurer

The Council met in workshop session on Monday evening, March 25, 2013 in the Town Hall, Council Chambers, beginning at 7:08 o'clock PM, Council Chairman Parella presiding:

**603 – Public Works  
James Galuska, Director**

Public Works Director Galuska reported that he has an aging fleet and that he is attempting to purchase some serviceable used vehicles in order to retire some of the very old ones. He explained that he would like to supplement the fleet in future years with some new vehicles as funds allow.

He explained that the Gas & Oil line is running high due to a marked increase in cost and that he projected the future needs as best as possible. He noted that he tried to present a level-funded budget but that some contractual obligations required increases to certain budget lines.

Councilman Stuart asked to know if the Uniforms line was included in the contract increases with Public Works Director Galuska reporting that the uniform allowance is \$700 per person.

Council Chairman Parella asked if it was possible to cost-share this item with Public Works Director Galuska explaining that the employees seem to go-through boots and clothing quickly due to the nature of the work. He suggested that the Town may wish to consider purchasing the uniforms, etc., and issuing these to the employees.

Town Treasurer Goucher also reported that the repairs to the packers and recycling vehicles "are spiraling out of control." He noted that he is trying to avoid catastrophic failure.

A discussion ensued regarding personnel. It was noted that there were some salary-data errors included on the salary sheets and Public Works Director Galuska agreed to correct these.

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Councilman Calouro asked to know about line item number 356 (packer/recycling vehicle maintenance). He noted that the line last year was \$10,000; the request was for \$33,000 and the recommended budget was \$15,000.

Public Works Director Galuska explained that the \$33,000 assumed that there would be no new vehicle and the \$15,000 assumes having a new vehicle.

Councilman Herreshoff asked to know the number of departmental employees with Public Works Director Galuska responding that he has 32 employees, including him.

Councilman Herreshoff asked to know if it was possible to economize with the transfer station costs with Public Works Director Galuska responding that the haul-away service is expensive and will have to be rebid soon.

A discussion ensued regarding the transfer station operation.

Councilman Sweeney asked to know details concerning the Computer line item (362), noting that the recommended amount includes a marked increase.

Public Works Director Galuska responded that the increase is to cover new software to track work projects. He added that the cost of this software license is free for the first year and approximately \$5000 per year afterwards based upon population. He noted that he anticipates that the software will be functional within 30 days.

**Capital Budget**

Public Works Director Galuska reported that "salt is the enemy" since it causes corrosion to many of the Department's vehicles.

Councilman Herreshoff asked to know if the trucks are washed regularly with Public Works Director Galuska responding that the trucks are washed.

He added that he believes it more effective to assign individuals to certain trucks in order to assure that the trucks are cared for properly.

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Council Chairman Parella asked to know the need for building repairs with Public Works Director Galuska responding that the main building has approximately 20 roof leaks.

Councilman Herreshoff observed that Public Works Director Galuska appears to have a six year capital improvement plan.

Public Works Director Galuska reported that he is considering the National Grid "resource program" to replace the aging bucket truck. He noted that the vehicles from the resource program may have a 10 year life span at significant savings.

Council Chairman Parella suggested that a bucket truck might be the ideal "collaboration item" provided that its use is scheduled properly.

**802 - Rogers Free Library  
Joan Prescott, Director**

Librarian Prescott explained that the traditional Books line has been subdivided into its component parts of Print Materials, Electronics, Subscriptions, and Audio-Visual.

Town Treasurer Goucher noted that this new description is easier to utilize when seeking grants.

Councilman Stuart asked to know if Librarian Prescott finds the allotment acceptable with Librarian Prescott responding affirmatively.

Council Chairman Parella stated that it appears to be a good methodology with Town Treasurer Goucher adding that the arrangement is compliant with State requirements.

Council Chairman Parella noted that the salaries for the librarians with master's degrees appeared to be inordinately low. She asked to know if the salaries were an issue with employees.

Librarian Prescott stated that she was "blessed" to have very little employee turnover.

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She added that the professional staff has combined experience of 60 years and that the staff members are dedicated individuals and provide support for each other.

Librarian Prescott reported that the library serves 150 to 200 persons per day, exclusive of the meeting room.

Council Chairman Parella asked to know who holds master's degrees with Librarian Prescott reporting that she, Charlotte Burnham, Tom Thien and Roberta Wright hold master's degrees.

Councilman Calouro asked why the employees remain when the salaries are relatively low with Librarian Prescott explaining that there is quality to the job, the Town, and that the employees enjoy the work environment.

A discussion ensued regarding salaries.

Councilman Calouro suggested that some employees should qualify for a "merit increase."

Council Chairman Parella asked to know if the personnel are evaluated.

Librarian Prescott reported that employees are evaluated in April.

Council Chairman Parella asked Librarian Prescott if she thought about what might be a fair increase for those with master's degrees with Librarian Prescott responding that she would like to return to the Council with a plan. She added that she believes that it would be a good idea to "stage" the salary adjustment over two years.

Town Administrator Teixeira stated that he recommends 4% increases for the librarians in order to close the salary gap.

A discussion ensued regarding salaries for library personnel.

### **Capital Budget**

A discussion ensued regarding computers. Council Chairman Parella asked to know if the "friends" group provides funding for capital items.

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Librarian Prescott reported that the "friends" group does not provide any financing for the operation of the Library.

**401 - Town Council**

A discussion ensued regarding salary increases.

Councilman Stuart suggested that the Town Administrator should defend the proposed increases.

Town Administrator Teixeira reported that he used the labor contract as a basis for the non-union increases.

Council Chairman Parella suggested that the Probate Judge and Town Sergeant should be level-funded and asked that the judges should not be "automatically" considered for increases when the other non-union employees are.

Town Administrator Teixeira expressed concern that the non-union employees will be receiving less salary than those union employees they supervise.

Town Treasurer Goucher suggested that the Council might wish to review all departments to consider the various salary lines.

**General Discussion/Recap**

Councilman Herreshoff suggested that based upon the "hit" due to the school enrollment increase, the Council should save \$400,000 by reducing all non-salary line items by 5%.

Councilman Stuart asked Councilman Herreshoff where the 5% is derived with Councilman Herreshoff responding that he took that figure from the air. He added that he believes that the reduction can be met by management if the managers choose to do so.

Town Administrator Teixeira expressed concern that an arbitrary reduction may impact vehicle safety and security.

Council Chairman Parella stated that she believes a reduction of 5% might be possible in the larger departments.

Councilman Stuart agreed with Council Chairman Parella.

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Council Chairman Parella provided a recap of the situation stating that the Town Administrator recommends exceeding the State-imposed cap and that the Treasurer believes there is enough "ammunition" to do so.

She added that Councilman Herreshoff does not want to go over the cap and that he recommends certain cuts.

A discussion ensued regarding the funding of the OPEB account.

Councilman Stuart expressed concern that budget reductions may lead to a reduction in services.

Councilman Calouro stated that Councilman Herreshoff's idea is a "valiant effort" but cautioned that expenses are not going to be less next year. He cautioned that the Council must think responsibly.

He noted that if the Council follows the Town Administrator's recommendation it will mean an increase of \$.34 per \$1000 of assessed valuation and that this translates into a tax-bill increase of \$150-200 for the average homeowner.

He added that if the Council were to consider the 5% reduction it must realize that it may not be applicable across all budgets since some are already at minimums.

Councilman Herreshoff stated that he is concerned that there are too many employees.

Council Chairman Parella asked to know if there are any retirements imminent.

Town Administrator Teixeira responded that he was aware of no retirements in particular.

Council Chairman Parella stated that she appreciates the work that was put into the budget and that the Administration presented a realistic budget.

Town Administrator Teixeira stated that he had a difficult time with the budget since there were many cuts in years past.

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Town Treasurer Goucher expressed concern that many departments will have to go into deficit if there are necessary expenses which cannot be deferred.

Councilman Herreshoff stated that efficiency is the key.

He added that Portsmouth has no efficiency.

Council Chairman Parella stated that the Town has good services and no blight. She added that citizens appreciate the job done on their behalf.

Councilman Herreshoff stated that it is important to protect the bond rating.

Councilman Stuart noted that Cranston's tax rate increase is \$2.

A discussion ensued regarding health insurance buyback, co-pays, and union concessions.

Councilman Stuart noted that the unions have cooperated in the past.

Council Chairman Parella stated that the Town Administrator has a long list to work on.

Councilman Calouro suggested that the Council might consider Councilman Herreshoff's idea and take \$1500 from each department.

Council Chairman Parella stated that the departments would have to apportion the \$1500 according to the individual budget size.

Councilman Stuart noted that safety may be cut through an arbitrary budget reduction resulting in a higher cost due to injuries and claims.

A discussion ensued regarding Councilman Calouro's idea to put the onus on the various department managers to make cuts of a certain amount or percentage of the budgets.

Councilman Sweeney stated that he supports the idea as proposed by Councilman Calouro but that he believes the budgets to be already lean.

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Town Administrator Teixeira reported that the departments were asked by him to cut their budgets and that the ones presented as Town Administrator's recommendations were lower than the ones he initially received.

Councilman Calouro asked Town Administrator Teixeira if the budget recommendation represents the "best budget" with Town Administrator Teixeira responding that it does.

A discussion ensued regarding budget cuts.

Councilman Stuart noted that Town Administrator Teixeira cut the budget already and the Council cuts would be "cuts on top of cuts." He added that he believes the employees to be "great" and that he does not wish to bring about a morale issue.

Town Treasurer Goucher noted that some of the recommended budget lines are already "in trouble" and that she does not wish to end the year with a budget deficit.

Councilman Herreshoff stated that this was all constructive discussion and that it may not be possible for everyone to have what they want. He added that he would be in favor of taking a "modest amount" from all non-labor related accounts to "keep the pressure on."

Council Chairman Parella stated that the Council must decide the employee salary issue and plan for merit consideration in the future.

Councilman Stuart suggested 1.5%.

Councilman Sweeney stated that he wished to get a recommendation from the Town Administrator.

Town Administrator Teixeira stated his rationale for the average of 3%. He noted that the union contracts ranged 2 to 3% and that he had personal observations of those he recommended for the higher level increases.

He stated that he initially considered 2.5% across the board but then decided that some individuals were deserving of more.

Town Treasurer Goucher noted that five employees received 3.5% last year.



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Council Chairman Parella suggested that the non-union employees should receive 1.5% with the exception of the library who should receive 6%.

Councilman Calouro suggested that non-union employees might receive 2% and that the Council should honor the previously noted exceptions for larger salary adjustments.

Councilman Sweeney agreed with Councilman Calouro.

Herreshoff/Stuart – Voted to allow 1.5% salary increases for all non-union employees with the exception of the Senior Center Director, the Town Clerk and the Library employees as previously noted. Voting in favor of the motion were Council Chairman Parella, Councilman Herreshoff and Councilman Stuart. Voting opposed was Councilman Calouro and Councilman Sweeney.

Herreshoff/Calouro – Voted to set salary increases for the selected Library employees at 5.5%. Voting in favor of this motion were Council Chairman Parella, Councilman Herreshoff, Councilman Calouro and Councilman Sweeney. Voting opposed was Councilman Stuart.

Prior to the vote taken Councilman Stuart suggested that the salary discrepancy issue might be otherwise resolved.

Councilman Calouro suggested that all departments should be encouraged to save money to add to the General Fund.

Council Chairman Parella stated that she would favor a program where employees were awarded “good” prizes for coming up with cost-saving ideas.

There being no further business, upon a motion by Councilman Stuart, seconded by Councilman Sweeney and voted

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unanimously, the Chairman declared this workshop to be adjourned at 9:33 o'clock PM.

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Louis P. Cirillo, CMC  
Council Clerk